



DEPARTMENT OF THE ARMY  
ASSISTANT CHIEF OF STAFF FOR INSTALLATION MANAGEMENT  
600 ARMY PENTAGON  
WASHINGTON DC 20310-0600



REPLY TO  
ATTENTION OF

DAIM-ZA

OCT 25 2002

MEMORANDUM FOR HQDA PRINCIPAL OFFICIALS

Subject: Non-Core Competencies Working Group and The Third Wave

Paragraph 3 of Enclosure 2 of the Secretary of the Army's 4 Oct 02 memorandum (enclosed) provided deadlines of 29 Oct 02 for exemption requests submissions and 20 Dec 02 for exemption approvals. As approved by the ASA(M&RA), in his capacity as Executive Steering Committee Chair, that paragraph is hereby revised to extend those deadlines by a month and add third deadline, as follows (revisions in **bold**):

3. Your Implementation Plan must include all non-core spaces (i.e., spaces potentially eligible for private sector performance) unless an exemption, based on disruption to core missions, is approved by the ASA(M&RA), subject to the following **three** deadlines:

- A Principal Official of the HQDA or MACOM Commander must have *notified* the ASA(M&RA), on or before November 5, 2002, that an exemption request will be submitted, and included in that notification a detailed description of the function for which exemption will be requested.

- The *exemption request*, signed by a Principal Official of the HQDA or MACOM Commander, must have been provided to and received by the ASA(M&RA) on or before **November 29, 2002**.

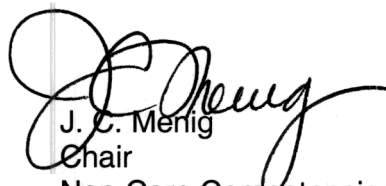
- The *exemption approval* must have been signed by the ASA(M&RA) on or before **January 21, 2003**.

Unless **all** of the above **three** deadlines are met, you must include the spaces being considered for exemption in your Implementation Plan.

(If the ASA(M&RA) approves an exemption request following approval of your Implementation Plan by the Secretary of the Army, the spaces thus exempted will be considered core and removed from your plan.)

FOR THE NON-CORE COMPETENCIES EXECUTIVE STEERING COMMITTEE:

Encl

  
J. C. Merig  
Chair

Non-Core Competencies Working Group





SECRETARY OF THE ARMY  
WASHINGTON  
OCT 4 2002



MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Non-Core Competencies Working Group and The Third Wave

The Army must focus its energies and talents on our core competencies—functions we perform better than anyone else—and seek to obtain other needed products or services from the private sector where it makes sense. We must also aggressively support the Competitive Sourcing Initiative of the President's Management Agenda. Moreover, the Army must quickly free up resources for the global war on terrorism, and do so in a way that avoids disruptions to our core operations.

This Army initiative will differ from the previous two “waves” of public-private competitions in several key respects. The third wave will be bigger and faster. It may involve “alternatives to A-76” as well as traditional OMB Circular No. A-76 competitions. And it will involve, for the first time, functions other than base operations.

You will develop and present to me your Implementation Plans for privatizing, divesting, competing using A-76, outsourcing using “alternatives to A-76,” converting military spaces to civilian or contract, or transferring to other government agencies, non-core functions that fall under your purview. Your plans must include all non-core spaces (i.e., spaces potentially eligible for private sector performance) unless an exemption, based on disruption to core missions, is approved in writing by the ASA(M&RA). Non-core functions, although important to the Army mission, must be reviewed for the best mix and provider, focusing on the total workforce (military, civilian, contract) in the operating forces and infrastructure. Enclosure 1 provides guidance on requesting an exemption. Enclosure 2 provides guidance for developing your plans.

You will develop your plans in conjunction with the Non-Core Competencies Working Group (NCCWG) (Enclosure 3). The Non-Core Competencies Executive Steering Committee will oversee the NCCWG and will resolve all issues.

Request you identify your NCCWG member to Mr. Jim Wakefield (James.Wakefield@hqda.army.mil) by October 9, 2002. The NCCWG will develop the schedule for Implementation Plan presentations. Enclosure 4 provides the timeline.

Thomas E. White

Enclosures

SUBJECT: Non-Core Competencies Working Group and The Third Wave

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SUBJECT: Non-Core Competencies Working Group and The Third Wave

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Superintendent:

- US Military Academy



SECRETARY OF THE ARMY  
WASHINGTON

NOV 16 2001



MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Delegation of Authority - Federal Activities Inventory Reform Act

I hereby renew the following delegations of authority pursuant to section 3 of the Federal Activities Inventory Reform (FAIR) Act, Public Law 105270, and implementing guidance from the Department of Defense:

1. The Assistant Secretary of the Army (Manpower and Reserve Affairs) is delegated the authority to decide challenges to the Army list, as provided at section 3(d) of the FAIR Act. This may not be further delegated but may be continued under the auspices of an Acting Assistant Secretary of the Army or appointed Senior Official in the absence of an Assistant Secretary of the Army.

2. The Under Secretary of the Army is delegated, without power of **redelegation**, authority to decide appeals of "challenge" decisions, as provided at section 3(e) of the FAIR Act. In the event an Under Secretary of the Army is not appointed, I will decide appeals of "challenge" decisions.

These delegations of authority do not affect any other delegations of authority with respect to matters under the Office of Management and **Budget** Circular A-76. These delegations shall expire two years following this date, unless sooner rescinded by the Secretary of the Army in writing.

The Army's policy guidance for determinations of which functions performed are or are not inherently Governmental are incorporated into the FAIR Act challenge and appeal process. This guidance may be downloaded from <http://www.asamra.army.pentagon.mil/fair>. For the purposes of compilation of the next Inventory of Commercial and Inherently Governmental Activities (which includes military and foreign nationals) and the FAIR Inventory, all functions that are not inherently Governmental will be presumed to be reviewable, unless an exemption letter is obtained for those functions through the Assistant Secretary of the Army (Manpower and Reserve Affairs).

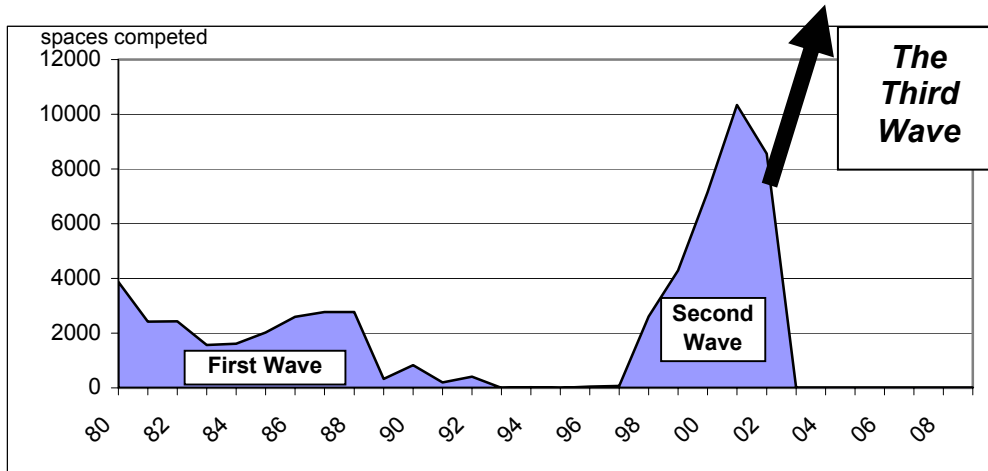
I have reviewed all existing exemption policies and will continue to issue guidance on the next Inventory and the status of my review of exemptions through the Assistant Secretary of the Army (Manpower and Reserve Affairs). Determinations issued through the Inventory process preempt inconsistent determinations in Army regulations and other media.

Thomas E. White



## Developing Your Implementation Plan for *The Third Wave*

1. This enclosure provides guidance for action addressees to use in developing Implementation Plans for privatizing, divesting, competing using A-76, outsourcing using “alternatives to A-76,” converting military spaces to civilian or contract, or transferring to other government agencies, all non-core functions that fall under their purview.



2. This effort is entitled *The Third Wave* because two “waves” of public-private competitions preceded it:

- In the first wave, during the 1980s, the Army completed OMB Circular A-76 (*Commercial Activities*) studies of 25K spaces.
- During the current second wave, which began in FY97, the Army has announced A-76 studies of 33K spaces; reached tentative cost comparison decision on studies of 12K spaces; and reached final decision on studies of another 13K spaces with recurring annual savings of over \$215M per year or 36% of pre-study cost.
- The scope for The Third Wave is 100% of the Inventory of Commercial and Inherently Governmental Activities (ICIGA) reviewable spaces (Codes L through V and X) and contract support. (Civil Works is included in the scope since Civil Works is part of the Army’s FAIR target even though its budget is separate from the Army.)

3. Your Implementation Plan must include all non-core spaces (i.e., spaces potentially eligible for private sector performance) unless an exemption, based on disruption to core missions, is approved by the ASA(M&RA), subject to the following deadlines:

- The *exemption request*, signed by a Principal Official of the HQDA or MACOM Commander, must have been provided to and received by the ASA(M&RA) on or before October 29, 2002.
- The *exemption approval* must have been signed by the ASA(M&RA) on or before December 20, 2002.
- Unless both of the above deadlines are met, you must include the spaces being considered for exemption in your Implementation Plan.

(If the ASA(M&RA) approves an exemption request following approval of your Implementation Plan by the Secretary of the Army, the spaces thus exempted will be considered core and removed from your plan.)

4. When you identify your Non-Core Competencies Working Group (NCCWG) member to [James.Wakefield@hqda.army.mil](mailto:James.Wakefield@hqda.army.mil), your NCCWG member will be provided a web site address and password. The following documents will be posted to that web site:

- The ICIGA, which includes all Army manpower spaces. (A sub-set of the ICIGA is the Federal Activities Inventory Reform (FAIR) Act inventory.) The ICIGA indicates which spaces fall under your purview and which spaces are identified as potentially eligible for performance by the private sector (i.e., are non-core).
- Various reference documents.
- A sub-set of the ICIGA that includes only those spaces that fall under your purview. The following table lists non-core spaces (i.e., spaces potentially eligible for private sector performance) by proponent:

<b>Functional Proponent</b>	<b>Military</b>	<b>Civilian</b>
ASA(ALT) / G4	18,402	35,122
ASA(CW) / COE	318	32,269
ASA(FM&C) / G8	1,879	3,581
ASA(I&E) / ACSIM	1,314	22,012
ASA(M&RA) / G1	18,065	9,839
ASA(M&RA) / G3	12,952	22,304
ASA(M&RA) / TSG	916	15,094
ASA(M&RA) / CMH	2	260
G2	712	2,349
GC	373	638
CIO (G6)	3,059	9,716
TIG	292	93
TAG	0	954
CPA	443	679
<b>TOTAL ARMY</b>	<b>58,727</b>	<b>154,910</b>

5. Implementation Plans will be developed in conjunction with the NCCWG. The NCCWG Chair is the Deputy Assistant Chief of Staff for Installation Management. Each MACOM will provide a member to the NCCWG to serve as a resource in developing your Plan. The NCCWG will provide the Implementation Plan format, i.e., identification of specific study initiatives by specific manpower spaces, by location/activity and by fiscal year. Action addressees will brief their Implementation Plans to the NCC Executive Steering Committee (see Enclosure 3) and then to the Secretary of the Army for approval.

6. Development of your Implementation Plan will involve the following steps:

- Subdivide the spaces under your purview into units small enough to permit analysis. This involves “packaging” spaces into organizations or groups of organizations, by location, appropriate for A-76 study or other review. This may be as straightforward as one “package” for each location.

- Develop exemption requests in coordination with OASA(M&RA). Do not assume that the designation of a function as non-core is “carved in stone.” This is especially important for non-core functions that have not been vetted for exemption. Should you feel that certain functions fit the criteria for exemption from private sector performance, develop your request for exemption (IAW Enclosure 1) and submit it to the ASA(M&RA) ([John.Anderson@hqda.army.mil](mailto:John.Anderson@hqda.army.mil)). Any disagreement concerning exemptions must be handled through OASA(M&RA), not through the NCCWG.

- Determine whether the remaining, non-exempted spaces should be privatized, divested, outsourced using “alternatives to A-76,” competed in accordance with OMB Circular A-76, or transferred to another Federal Agency, and whether the non-exempted military spaces should be converted to civilian or contract. (See paragraph 7 below.)

- Prepare Implementation Plan.

- Where divestiture will be pursued, identify all associated dollar savings, including contract support.

7. When considering an alternative to A-76 or privatizing, divesting, or transferring a Title 10 function, consult first with the Non-Core Competencies Working Group for approval to proceed. Following are factors to consider:

- **Alternatives to A-76.** These are under development by the Business Initiatives Council and require buy-in by the Office of Management and Budget. Some of the existing alternatives are summarized and defined, with additional references, in Senior Executive Council Tasker, 16 Apr 02, Subject: Using Core Competencies to Determine DoD’s Sourcing Decisions: Employee Stock Ownership Plan, Transitional Benefit Corporations; Negotiate with Private Sector; City-Base Partnership; Strategic Partnering; and Quasi-Government Corporations. It is important to note that alternatives to A-76 are still subject to statutory requirements, such as Title 10, United States Code (U.S.C.), Section 2461 and Section 8014 of the DoD Appropriations Act, FY02, that have been the basis for Congressional notifications and use of the A-76 process for public-private competitions within the Department of Defense. Most of these alternatives to A-76 will require enabling legislation that does not exist yet.

- **Privatization, divestiture or transfer to another agency.** The Secretary of the Army is responsible for the following Title 10 functions, pursuant to 10 U.S.C. Section 3013(b): recruiting; organizing; supplying; equipping (including research and development); training; servicing; mobilizing; demobilizing; administering (including the morale and welfare of personnel); maintaining; construction, outfitting, and repair of military equipment; and the construction, maintenance, and repair of buildings, structures, and utilities and acquisition of real property and interests in real property necessary to carry out these responsibilities. The Army can not privatize, divest or transfer to another agency any of the above functions without first obtaining enabling legislation, as was done for utilities and housing privatization (see, e.g., 10 U.S.C. Sections 2688s and 2871-2885. Conversely, the Army can contract out performance of these functions to the extent the Secretary of the Army retains overall control over these functions. Privatization involving transfer of real or personal property to a non-Federal entity will require enabling legislation.



## **Non-Core Competencies Working Group**

### **NCC Executive Steering Committee**

**Mr. Reginald Brown, ASA(M&RA) (Chair)**

Mr. John McDonald, DUSA

Dr. Craig College, Assistant DCS, G8

Miss Sarah White, DASA for Force Management, Manpower and Resources

Mr. William Armbruster, DASA for Privatization and Partnerships

Legal Advisor: Mr. Levator Norsworthy, Deputy General Counsel for Acquisition

### **NCC Working Group**

**Ms. Jan Menig, DACSIM (Chair)**

Mr. Jim Wakefield, OACSIM (Deputy Chair)

Mr. Sam Crumpler, OASA(M&RA)

Ms. Peggy Johnson, OASA(FM&C)

Mr. Gary Robinson, OASA(I&E)

Mr. John Runkle, PAED

Mr. Bill Peters, PAED

Mr. Geoff Carpenter, ODCS, G1

COL Jerry O'Keefe, ODCS, G3

Functional Representatives

MACOM Representatives

#### **Advisors:**

Dr. John Anderson, OASA(M&RA)

Ms. Judith Blake, OASA(ALT)

Mr. Paul Hancq, OGC

Contractor support: 4 analysts

# Non-Core Competencies Working Group (NCCWG) Process / Timeline

